

## AUDITING PROCEDURES REPORT

Issue under P.A. 2 of 1968, as amended. Filing is mandatory.

<b>Local Government Type</b> <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		<b>Local Government Name</b> Lockport, Fabius, Park Townships Fire Department	<b>County</b> St. Joseph
<b>Audit Date</b> March 31, 2007	<b>Opinion Date</b> June 21, 2007	<b>Date Accountant Report Submitted to State:</b> June 25, 2007	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |  |
|---|--|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during they year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).  |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).   |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

<b>Certified Public Accountant (Firm Name)</b> Campbell, Kusterer & Co., P.C.			
<b>Street Address</b> 512 N. Lincoln, Suite 100, P.O. Box 686	<b>City</b> Bay City	<b>State</b> MI	<b>Zip</b> 48707
<b>Accountant Signature</b> Campbell, Kusterer & Co., PC			

LOCKPORT, FABIUS, PARK TOWNSHIPS  
FIRE DEPARTMENT  
St. Joseph County, Michigan

FINANCIAL REPORT WITH  
SUPPLEMENTARY INFORMATION

Year Ended March 31, 2007

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

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# **CAMPBELL, KUSTERER & CO., P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

June 21, 2007

To the Fire Board  
Lockport, Fabius, Park Townships Fire Department  
St. Joseph County, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of Lockport, Fabius, Park Townships Fire Department, St. Joseph County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Fire Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lockport, Fabius, Park Townships Fire Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lockport, Fabius, Park Townships Fire Department, St. Joseph County, Michigan as of March 31, 2007, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Campbell, Kusterer & Co., P.C.*

CAMPBELL, KUSTERER & CO., P.C.  
Certified Public Accountants

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended March 31, 2007

The Management's Discussion and Analysis report of the Lockport, Fabius, Park Townships Fire Department covers the Fire Department's financial performance during the year ended March 31, 2007.

FINANCIAL HIGHLIGHTS

Our financial status remained stable over the last year. Net assets at March 31, 2007, totaled \$660,313.23. Total revenues were \$192,496.38. The net decrease in net assets of \$68,459.97 included a \$91,030.09 depreciation deduction. We did not incur any new debt.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Fire Department and the notes to the financial statements.

The first two statements are entity-wide financial statements and provide both long and short-term information about our overall financial status. The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

ENTITY-WIDE FINANCIAL STATEMENTS

The entity-wide statements report information about the Fire Department as a whole using accounting methods used by private companies. The statement of net assets includes all of the Fire Department's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity-wide statements report net assets and how they have changed. Net assets are the difference between the entity's assets and liabilities and this is one method to measure the entity's financial health or position.

Over time increases/decreases in the Fire Department's net assets are an indicator of whether financial position is improving or deteriorating.

To assess overall health of the Fire Department you may also have to consider additional factors such as the financial strength of Lockport, Fabius and Park Townships, the Fire Department's facility conditions and personnel changes.

FUND FINANCIAL STATEMENTS

There are no fund financial statements as the Fire Department has only one fund.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended March 31, 2007

FINANCIAL ANALYSIS OF THE FIRE DEPARTMENT AS A WHOLE

During the year, the Department maintained the station building and equipment we have. We purchased new equipment totaling \$28,225.29, some of which was to replace worn out equipment. We did not purchase any fire trucks. The building project committee worked on exploring our options for building a new station.

FINANCIAL ANALYSIS OF THE FIRE DEPARTMENT'S FUNDS

The Fire Department has only one fund. Please refer to the financial highlights section of this report for summary information or refer to the financial statement for more detailed information about the financial position and results of operations of our department.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Fire Department invested \$28,225.29 in capital assets in the current fiscal year. The Fire Department has no long term debt.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

Future funding of the Fire Department is dependent on the financial support from and the financial stability of Lockport, Fabius and Park Townships. In June 2006, the Fire Department made an offer to purchase a parcel of land for construction of a new fire station and three houses. The land purchase price is \$180,000.00 and the closing is tentatively set for August 15, 2007. The building project committee will continue working on plans for constructing a new station, including design of the station and financing of the project.

CONTACTING THE FIRE DEPARTMENT'S MANAGEMENT

This financial report is designed to provide our investors and customers with a general overview of the Fire Department's finances and to demonstrate the Fire Department's accountability for the revenues it receives. If you have any questions concerning this report, please contact one of the Fire Department's board members. They are:

David Brueck, President	(269) 467-7176
Joe Eichorn, Treasurer	(269) 279-2106
Bob Wortinger, Trustee	(269) 279-9436
Patricia Burke, Secretary	(269) 279-7402

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

GOVERNMENT-WIDE STATEMENT OF NET ASSETS  
March 31, 2007

	<u>Governmental Activities</u>
ASSETS:	
CURRENT ASSETS:	
Cash in bank	32 376 49
Accounts receivable	2 250 00
Prepaid expenses	<u>11 197 65</u>
Total Current Assets	<u>45 824 14</u>
NON-CURRENT ASSETS:	
Capital Assets	1 456 263 59
Less: Accumulated Depreciation	<u>(830 675 04)</u>
Total Non-current Assets	<u>625 588 55</u>
TOTAL ASSETS	<u><u>671 412 69</u></u>
LIABILITIES AND NET ASSETS:	
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable	<u>11 099 46</u>
Total Current Liabilities	<u>11 099 46</u>
NON-CURRENT LIABILITIES	<u>-</u>
Total Non-current Liabilities	<u>-</u>
Total Liabilities	<u>11 099 46</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	625 588 55
Unrestricted	<u>34 724 68</u>
Total Net Assets	<u>660 313 23</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>671 412 69</u></u>

The accompanying notes are an integral part of these financial statements.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
Year ended March 31, 2007

		<u>Program Revenue</u>	<u>Governmental Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
FUNCTIONS/PROGRAMS			
Governmental Activities:			
Public safety	<u>260 956 35</u>	<u>191 800 00</u>	<u>(69 156 35)</u>
Total Governmental Activities	<u><u>260 956 35</u></u>	<u><u>191 800 00</u></u>	<u><u>(69 156 35)</u></u>
General Revenues:			
Interest			479 15
Miscellaneous			<u>217 23</u>
Total General Revenues			<u>696 38</u>
Change in net assets			(68 459 97)
Net assets, beginning of year			<u>728 773 20</u>
Net Assets, End of Year			<u><u>660 313 23</u></u>

The accompanying notes are an integral part of these financial statements.



LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

BALANCE SHEET – GOVERNMENTAL FUND  
March 31, 2007

	<u>Total (General)</u>
<u>Assets</u>	
Cash in bank	32 376 49
Accounts receivable	2 250 00
Prepaid expenses	<u>11 197 65</u>
Total Assets	<u><u>45 824 14</u></u>
<u>Liabilities and Fund Equity</u>	
Liabilities:	
Accounts payable	<u>11 099 46</u>
Total liabilities	<u>11 099 46</u>
Fund equity:	
Fund balance:	
Unreserved:	
Undesignated	<u>34 724 68</u>
Total fund equity	<u>34 724 68</u>
Total Liabilities and Fund Equity	<u><u>45 824 14</u></u>

The accompanying notes are an integral part of these financial statements.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUND  
TO THE STATEMENT OF NET ASSETS  
March 31, 2007

TOTAL FUND BALANCES – GOVERNMENTAL FUNDS	34 724 68
Amounts reported for governmental activities in the statement of net assets are different because –	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet:	
Capital assets at cost	1 456 263 59
Accumulated depreciation	<u>(830 675 04)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>660 313 23</u>

The accompanying notes are an integral part of these financial statements.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUND  
Year ended March 31, 2007

	<u>Total (General)</u>
Revenues:	
Charges for services – fire protection:	
Lockport Township	59 850 00
Fabius Township	61 850 00
Park Township	57 100 00
Flowerfield Township	13 000 00
Interest	479 15
Miscellaneous	<u>217 23</u>
Total revenues	<u>192 496 38</u>
Expenditures:	
Public safety:	
Fire protection:	
Salaries, wages and payroll taxes	70 345 73
Supplies	7 168 36
Gas and oil	5 334 20
Telephone	2 665 02
Insurance	39 461 40
Utilities	5 241 03
Parts and maintenance	15 252 12
Audit and legal	16 139 18
Training	1 110 00
Buildings and grounds	1 075 00
Miscellaneous	6 134 22
Capital outlay	<u>28 225 29</u>
Total expenditures	<u>198 151 55</u>
Excess (deficiency) of revenues over expenditures	(5 655 17)
Fund balance, April 1	<u>40 379 85</u>
Fund Balance, March 31	<u><u>34 724 68</u></u>

The accompanying notes are an integral part of these financial statements.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
Year ended March 31, 2007

NET CHANGE IN FUND BALANCE – TOTAL GOVERNMENTAL FUND (5 655 17)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures; in the Statement of Activities,  
these costs are allocated over their estimated useful lives as depreciation

Depreciation Expense	(91 030 09)
Capital Outlay	<u>28 225 29</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (68 459 97)

The accompanying notes are an integral part of these financial statements.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2007

Note 1 – Summary of Significant Accounting Policies

The accounting policies of the Lockport, Fabius, Park Townships Fire Department, St. Joseph County, Michigan, conform to generally accepted accounting principles as applicable to governmental units.

Reporting Entity

The financial statements of the Fire Department contain all the Fire Department funds that are controlled by or dependent on the Fire Department's executive or legislative branches.

The reporting entity is the Lockport, Fabius, Park Township's Fire Department. The Fire Department is governed by an elected Fire Board. As required by generally accepted accounting principles, these financial statements present the Fire Department as the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements, (the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Fire Department's government-wide activities are considered governmental activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments and other items not properly included among program revenues are reported as general revenue.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

NOTES TO FINANCIAL STATEMENTS

March 31, 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

The Fire Department reports only one fund as follows:

- The General Fund is used to record the operations of the Fire Department which pertain to maintaining and operating the Fire Department. Included are all transactions related to the approved current operating budget.

Assets, Liabilities and Net Assets or Equity

Bank deposits and investments – Cash and cash equivalent investments include cash on hand, demand deposits, certificates of deposit and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables

Receivables have been recognized for all significant amounts due to the Fire Department. Allowances for uncollectible accounts have not been provided for in that collection is not considered doubtful and any uncollected amount would be immaterial.

Inventories

Inventories of supplies are considered to be immaterial and are not recorded.

Property Taxes

The Fire Department does not levy any property taxes.

Encumbrances

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

Capital Assets

Capital assets are defined by the Fire Department as assets with an initial cost of more than \$150.00 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	7-39 years
Vehicles and equipment	5-15 years

Compensated Absences (Vacation and Sick Leave)

Employees are not allowed to accumulate vacation and sick pay.

Post-employment Benefits

The Fire Department provides no post-employment benefits to past employees.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2007

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Budgets and Budgetary Accounting

The following procedures are followed in establishing the budgetary data reflected in these financial statements:

1. Prior to the beginning of the fiscal year, the proposed budget for each budgetary fund is submitted to the Fire Board for consideration.
2. The proposed budgets include expenditures as well as the methods of financing them.
3. Public hearings are held to obtain taxpayer comments.
4. The budgets are adopted at the activity level by a majority vote of the Fire Board.
5. The budgets are adopted on the modified accrual basis of accounting.
6. The originally adopted budgets can be amended during the year only by a majority vote of the Fire Board.
7. The adopted budgets are used as a management control device during the year for all budgetary funds.
8. Budget appropriations lapse at the end of each fiscal year.
9. The budgeted amounts shown in these financial statements are the originally adopted budgets with all amendments that were approved by the Fire Board during the fiscal year.

Note 3 – Deposits and Investments

Michigan Compiled Laws, Section 129.91, authorizes the Fire Department to deposit and invest in the accounts of federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications, which mature not more than 270 days after the date purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Fire Board has designated one bank for the deposit of Fire Department funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all investments authorized by state law as listed above.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2007

Note 3 – Deposits and Investments (continued)

The Fire Department's deposits and investments are in accordance with statutory authority.

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the cash deposits are as follows:

	<u>Carrying Amounts</u>
Total Deposits	<u>32 376 49</u>

Amounts in the bank balances are without considering deposits in transit or uncleared checks.

	<u>Bank Balances</u>
Insured (FDIC)	32 578 42
Uninsured and Uncollateralized	<u>-</u>
Total Deposits	<u>32 578 42</u>

The Lockport, Fabius, Park Townships Fire Department did not have any investments as of March 31, 2007.

Note 4 – Capital Assets

Capital asset activity of the Fire Department's Governmental activities for the current year was as follows:

	<u>Balance 4/1/06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 3/31/07</u>
<u>Governmental Activities:</u>				
Buildings and improvements	225 023 70	-	-	225 023 70
Vehicles and equipment	<u>1 241 439 57</u>	<u>28 225 29</u>	<u>(38 424 97)</u>	<u>1 231 239 89</u>
Total	1 466 463 27	28 225 29	(38 424 97)	1 456 263 59
Accumulated Depreciation	<u>(778 069 92)</u>	<u>(91 030 09)</u>	<u>38 424 97</u>	<u>(830 675 04)</u>
Net Capital Assets	<u>688 393 35</u>	<u>(62 804 80)</u>	<u>-</u>	<u>625 588 55</u>

Note 5 – Deferred Compensation Plan

The Fire Department does not have a deferred compensation plan.



LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

NOTES TO FINANCIAL STATEMENTS  
March 31, 2007

Note 6 – Risk Management

The Fire Department is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (workers' compensation). The Fire Department has purchased commercial insurance for property loss, torts and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 7 – Pension Plan

The Fire Department does not have a pension plan.

LOCKPORT, FABIUS, PARK TOWNSHIPS FIRE DEPARTMENT  
St. Joseph County, Michigan

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
Year ended March 31, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
Revenues:				
Charges for services – fire protection:				
Lockport Township	81 200 00	81 200 00	59 850 00	(21 350 00)
Fabius Township	74 200 00	74 200 00	61 850 00	(12 350 00)
Park Township	73 200 00	73 200 00	57 100 00	(16 100 00)
Flowerfield Township	12 000 00	12 000 00	13 000 00	1 000 00
Interest	340 00	340 00	479 15	139 15
Miscellaneous	<u>12 00</u>	<u>12 00</u>	<u>217 23</u>	<u>205 23</u>
Total revenues	<u>240 952 00</u>	<u>240 952 00</u>	<u>192 496 38</u>	<u>(48 455 62)</u>
Expenditures:				
Public safety:				
Fire protection	196 752 00	196 752 00	169 926 26	(26 825 74)
Capital outlay	<u>44 200 00</u>	<u>44 200 00</u>	<u>28 225 29</u>	<u>(15 974 71)</u>
Total expenditures	<u>240 952 00</u>	<u>240 952 00</u>	<u>198 151 55</u>	<u>(42 800 45)</u>
Excess (deficiency) of revenues over expenditures	-	-	(5 655 17)	(5 655 17)
Fund balance, April 1	<u>-</u>	<u>-</u>	<u>40 379 85</u>	<u>40 379 85</u>
Fund Balance, March 31	<u>-</u>	<u>-</u>	<u>34 724 68</u>	<u>34 724 68</u>